Broadcast medium fills voids in advertising

By Karrie Jacobs

Lord only knows what time it is: The bars are closed, the street outside is quiet, the tv sits dormant—but the radio is still on.

The radio's on and Henry Morgan, game show guest emeritus, is making a pitch. "A picture is worth a thousand words," he declares as if it had just occurred to him. Then he says something about Polaroids and snapshots.

> **"Because of the nature of the brand, it's more responsive to radio. You say 'jock itch' on the radio and people's ears perk up."**
>
> *—Dave Hurwitz*
> *Pennwalt Drugs*

"Cameras," you think wearily, "He's selling cameras."

But no. Mr. Morgan goes on to explain that a single word can evoke an image—"France," he says to give an example, "Raquel." And, he reasons, if one word carries so much weight, just think about the cumulative effect of all the words in a radio commercial and what that could do for your product.

Free lance writer Karrie Jacobs joined the ranks of late-night radio listeners while working on this story.

The spoken word *does* give radio a certain edge, a personal touch, especially when it's late night and you and the voice on the radio are the only wide-awake souls in a sleeping world.

While tv offers a mass audience, and while it trades heavily in pretty faces and glamorous images, radio gets down to the nitty gritty.

Sure, tv commercials remind us about unsavory hygiene problems such as dandruff and bad breath and address viewers suffering from hemorrhoids and those dirty rings. But more often tv ads feature beautiful people doing beautiful things. Without the distraction of gorgeous models, radio can speak one-to-one with listeners about their unfashionable, unsightly and dreary maladies—and radio advertisers can sidestep the problem of graphically portraying both the malady and the cure.

"It does take time, but your brown spots will fade," says a wise, matronly voice. This frank and well-adjusted woman says she can bear some of the symptoms of aging—the glasses perched on her nose and the gray streaks in her hair—but is miffed that her skin's pigmentation has gone haywire, mottling her complexion with liver spots. To clear up this blight, she uses Porcelana face cream, gradually bleaching those brown spots into obscurity.

Actually, Porcelana, part of a stable of esoteric health and beauty aids developed by Jeffrey Martin Inc., is itself a little on the obscure side unless you listen to talk radio.

Jeffrey Martin Inc., Union, N.J., has the distinction of being the nation's top spender in network radio advertising, devoting $21.7 million last year to promote products that clean tobacco-stained teeth, relieve backaches and banish brown spots. And that represented a substantial decrease from the company's $32.8 million 1982 radio budget.

Jeffrey Martin relies heavily on network radio because its products are targeted to two groups of regular radio listeners: Insomniacs and housewives, particularly elderly women, who spend time alone with the radio, day and night.

Tom Herzberg

Late-night commercial breaks are a mixed bag filled with public service spots and stars such as McGruff the police dog (offering crime-stopping hints) and Carlton Fredricks (hyping Special Stress vitamins and mineral ice in a voice reminiscent of the Queen of England).

The Jeffrey Martin ads, however, are the most compelling of the lot.

"D-R-O-W-Z-Y," spells a hypnotic male voice during a commercial break from Mutual Radio's Larry King show.

Moments ago, Mr. King's guest, a noted sportscaster, was comparing baseball to a beautiful woman. Now a man is inquiring ever so gently, "Can't cope with occasional sleepless nights?"

He assures listeners that "simple nervous tension" will float away as easily as D-R-O-W-Z-Y is transformed into C—O—M—P—O—Z. Jeffrey Martin spent $754,000 on Compoz network radio spots in 1983.

Jeffrey Martin chief executive officer Martin Himmel—who believes that tv is a "medium of the emotions" and radio "a medium of the mind"—stresses the importance of creativity in the radio ads done by JM's in-house agency.

"We try to have word pictures so you can see a picture of what's happening," Mr. Himmel says.

Late night is an obvious time to sell Compoz, but Mr. Himmel also says it is a prime time for Doans pills ($2.7 million in 1983 radio spots). He pictures back-pain sufferers, listening to late-night Doans spots as they try desperately to fall asleep, rushing out the next morning to purchase the product.

Radio spots for other JM products—Ayds weight loss candies ($2.5 million in 1983 network radio spots), Topol tooth polish ($6.5 million) and Bantron smoking deterrent ($1.6 million)—are aired during daytime talk shows. Bantron, for instance, co-sponsors New York Mayor Ed Koch's call-in show on WOE-AM.

"You can break—*SNAP*—the smoking habit," insist the ads, following up the claim with testimonials. Mr. Himmel says Jeffrey Martin has been doing fewer "slice of life" ads and more spots with comments from satisfied customers—in some cases using actual consumers' voices.

During the past 20 years, JM has grown from a company forced to advertise on radio because tv was too expensive to one that invests 50% to 60% of its ad budget in tv—network, spot and cable.

Topol, Jeffrey Martin's largest selling product, is heavily advertised on tv as is the company's newest concern, Lavoris mouthwash. Although he praises tv's ability to reach an enormous audience, Mr. Himmel says, "I'll never move away from network radio."

When Jeffrey Martin bought its 100-year-old Cuticura brand from Purex in 1982, the soap's appeal seemed limited to customers as old as the brand itself. The demand for Cuticura was, in a word, dying.

After discovering that Cuticura was an effective cleanser for part dry/part oily complexions, Jeffrey Martin repositioned the product with advertising on youth-oriented networks such as The Source, RadioRadio and ABC-FM network. The result? Cuticura's "combination skin" has become part of young people's vocabulary.

And then there are things that itch, such as feet and . . . . er, jock itch. Pennwalt Drugs, Rochester, N.Y., produces Desenex and Cruex powders to cope with those difficulties.

Product manager Dave Hurwitz says last year's successful two-market radio test makes a 1985 national radio campaign for Cruex seem probable.

Cruex has been advertised on outdoor signs ("Jock itch is no laughing matter"), but Mr. Hurwitz says he believes that the radio ads have achieved better results. "Because of the nature of the brand, it's more responsive to radio," he says.

"You say 'jock itch' on the radio and people's ears perk up."

A TEXAS STATE NETWORK GIVES YOU...

America's Team
The Ag Team
The Spanish Team
The News Team

Nowhere but Texas can you find a state network that offers four different lineups of stations providing a variety of programming on 229 stations in 195 markets in 10 states.

Action of America's Team—The Dallas Cowboys Football Network—is broadcast in English and Spanish on 182 stations in 174 markets in 10 states...more than any NFL team.

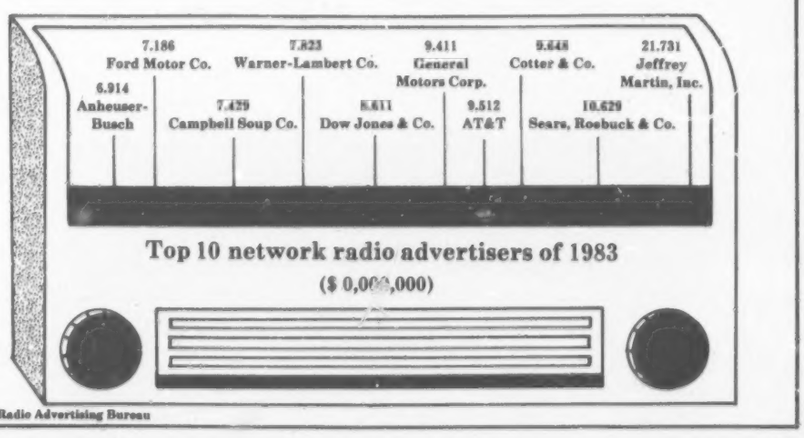
The Texas State Network feeds news, sports and information to 129 affiliates in 108 Texas markets. TSN Agribusiness Network supplies seven hours of farm and ranch news weekly to 54 stations in 47 Texas markets. And, the TSN Spanish Information Service keeps Hispanics in Texas informed through our 22 stations in 19 markets.

It's the biggest state network, of course. Biggest Ag network, of course. Biggest state Hispanic network, of course. Biggest NFL network, of course. Satellite fed...of course.

TEXAS STATE NETWORK
7901 Carpenter Freeway
Dallas, TX 75247
214-688-1133

METROMEDIA RADIO

Represented Nationally By KATZ Radio



Top 10 network radio advertisers of 1983

($ 0,000,000)

Source: Radio Advertising Bureau

C2710-1

Advertising Age®

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100 LEADING NATIONAL ADVERTISERS

1984 EDITION

AA
DC 20014CONGLI
CONGRESSIONAL INFO SERVICE EMJF M
SFI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

SIMMONS

Advertising Age®

Leaders rebuild sales, hike advertising 10.5%

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By R. CRAIG ENDICOTT

The nation's 100 leading advertisers monitored by ADVERTISING AGE accumulated U.S. advertising expenditures of $18.89 billion in 1983 to rebuild aggregate worldwide sales to $901.8 billion.

Leading the surge which helped push sales of the 100 leaders out of their one-year decline suffered in 1982, was Procter & Gamble, the perennial "leader." Sears, Roebuck & Co., however, came closer than ever to usurping the throne.

The 10.5% increase in advertising on a year-to-year basis for the 100 leaders cooled off a blistering pace in 1982 when advertisers, faced with increasing recessionary pressures, primed the consumer pump with a 15.2% increase in an attempt to rejuvenate sales, which slumped to $765.3 million, a drop of 0.9% from 1981.

R. Craig Endicott is profile issues editor of ADVERTISING AGE.

The 100 leaders' U.S. sales of an estimated $643.75 billion were 72% of the worldwide total and represented an advertising-to-sales ratio of 2.9. Many of the leaders registering poor performances in 1982 reported better results in 1983. As a whole, the 100 leaders' earnings of $38.7 billion were 4.4% of worldwide sales. (Return on sales omits figures for private companies.)

Most leaders pressed forward feeding the marketing mix withstepped up advertising, reworked marketing strategies that attracted broader clientele, divestiture programs that brought focus to conglomerate holdings, product-specific acquisitions, new product category development, heavy line extension movement and product reformulations.

Ad expenditures in the eight measured media tracked in this issue were $11.67 billion for the 100 leaders in 1983, an increase of 10.5%. Unmeasured ad totals pulled an additional $7.2 billion for a similar year-to-year increase. Unmeasured advertising includes cable, direct mail, collateral materials, co-op advertising, trade show promotions, point-of-purchase and transit advertising. Neither measured

nor unmeasured advertising in this case includes national retail advertising or local newspaper expenditures.

P&G again led the spenders with $773.6 million in total advertising. U.S. sales of $9.55 billion gave P&G an ad-to-sales ratio of 8.1. Experts predict P&G will surpass the $1 billion mark by 1985 as it continues to push new product development. P&G spent nearly $100 million each in introducing Always feminine hygiene product and Citrus Hill Select orange juice in 1983.

Sears played bridesmaid with an expenditure of $732.5 million. If local newspaper advertising were included in the measured advertising—the criterion that places a company on the 100 leader list—then Sears would leave P&G in its wake.

The most dramatic shift among the top 10 advertisers was made by Beatrice Cos., which bought its way into third place from a rank of 16th in 1982. The Beatrice of the 1983 list is a composite of those 100 leaders appearing on the 1982 chart. The company purchased Esmark Inc. in August, 1984, a company that already had consumed Norton Simon Inc. in late 1983. Esmark was the 32nd largest national advertiser in 1982 and Norton Simon Inc. the 33rd.

Newcomers to the 100 leaders this year include Tandy Corp. (No. 40), Texas Instruments (No. 51), IC Industries (No. 64), Sony Corp. of America (No. 70), GTE Corp. (No. 85), Cosmair Inc. (No. 87), Adolph Coors Co. (No. 93), Goodyear Tire & Rubber Co. (No. 96), Coleco Industries (No. 98) and Carnation Co. (No. 99).

Joining the two Beatrice units in leaving the chart were North American Philips Corp. (No. 67 in 1982), SmithKline Beckman Co. (No. 68), Pan American World Airways (No. 80), 20th Century-Fox Film Corp. (No. 86), Royal Crown Cos. (No. 92), Polaroid Corp. (No. 95), Hiram Walker Resources Ltd. (No. 98) and E&J Gallo Winery (No. 99).

Major changes already are beginning to rejuggle the rankings for next year's leaders. Just as Beatrice "acquired" its position in this year's 100 leaders rankings, Nestle is poised to do the same in 1984 through a pending merger with Carnation announced last week. Nestle will purchase Carnation for an estimated $3 billion. A consolidated measured ad spending for the

(Continued on Page 2)

The leading advertisers by rank ($000)

Rank	Company	Advertising
1	Procter & Gamble Co.	$773,618.3
2	Sears, Roebuck & Co.	732,500.0
3	Beatrice Cos.	602,775.4
4	General Motors Corp.	595,129.5
5	R.J. Reynolds Industries	593,350.3
6	Philip Morris Inc.	527,481.8
7	Ford Motor Co.	479,060.0
8	American Telephone & Telegraph	463,095.5
9	K mart Corp.	400,000.0
10	General Foods Corp.	386,134.2
11	Nabisco Brands	367,530.4
12	PepsiCo Inc.	356,400.0
13	Warner-Lambert Co.	343,553.5
14	American Home Products Corp.	333,485.0
15	Unilever U.S.	324,865.8
16	McDonald's Corp.	311,378.0
17	Johnson & Johnson	295,328.8
18	Mobil Corp.	294,932.5
19	J.C. Penney Co.	292,451.0
20	Anheuser-Busch Cos.	290,616.4
21	Ralston Purina Co.	285,667.4
22	Coca-Cola Co.	282,150.0
23	General Mills	268,690.2
24	Colgate-Palmolive Co.	268,000.0
25	Warner Communications	251,049.6
26	Bristol-Myers Co.	235,000.0
27	Chrysler Corp.	230,020.1
28	U.S. Government	228,857.2
29	RCA Corp.	212,300.0
30	Dart & Kraft	210,279.4
31	H.J. Heinz Co.	202,400.0
32	General Electric Co.	196,506.6
33	Consolidated Foods Corp.	195,858.0
34	Pillsbury Co.	190,944.3
35	Gillette Co.	$185,604.4
36	Mattel Inc.	179,934.8
37	Kellogg Co.	176,306.9
38	Sterling Drug	171,828.1
39	CBS Inc.	167,711.0
40	Tandy Corp.	156,728.0
41	Richardson-Vicks	150,813.9
42	Quaker Oats Co.	148,441.7
43	Batus Inc.	146,076.9
44	Gulf & Western Industries	145,500.0
45	American Cyanamid Co.	142,400.0
46	Chesebrough-Pond's	141,324.5
47	Eastman Kodak Co.	141,318.9
48	Loews Corp.	135,115.1
49	ITT Corp.	134,229.0
50	Beecham Group p.l.c.	134,126.8
51	Texas Instruments	129,042.0
52	Campbell Soup Co.	126,000.0
53	Revlon Inc.	123,968.9
54	Nissan Motor Corp. in U.S.A.	122,848.0
55	Mars Inc.	120,350.5
56	Time Inc.	119,785.0
57	Jos. E. Seagram & Sons	119,604.4
58	International Business Machines Corp.	119,222.5
59	Schering-Plough Corp.	117,914.2
60	American Honda Motor Co.	115,182.3
61	Nestle Enterprises	114,957.0
62	Toyota Motor Sales U.S.A.	113,649.0
63	Volkswagen of America	112,500.0
64	IC Industries	112,100.0
65	Xerox Corp.	110,101.8
66	American Express Co.	107,571.0
67	Du Pont	102,637.0
68	Trans World Corp.	101,503.3
69	American Motors Corp.	$100,800.7
70	Sony Corp. of America	97,283.2
71	CPC International	96,627.3
72	Miles Laboratories	89,063.8
73	Union Carbide Corp.	88,000.0
74	S.C. Johnson & Son	86,970.3
75	Greyhound Corp.	83,564.0
76	AMR Corp.	80,000.0
77	Kimberly-Clark Corp.	77,460.0
78	UAL Inc.	77,200.0
79	American Brands	75,590.1
80	MCA Inc.	74,543.6
81	Mazda Motors of America	74,500.0
82	Stroh Brewery Co.	73,532.4
83	Pfizer Inc.	72,084.3
84	Brown-Forman Distillers	70,500.0
85	GTE Corp.	70,179.9
86	Eastern Air Lines	70,000.0
87	Cosmair Inc.	69,955.0
88	Clorox Co.	69,429.0
89	Hershey Foods Corp.	68,257.4
90	Wendy's International	64,445.0
91	Wm. Wrigley Jr. Co.	63,948.2
92	Delta Air Lines	63,944.3
93	Adolph Coors Co.	63,621.3
94	Noxell Corp.	58,264.4
95	Canon U.S.A.	58,032.9
96	Goodyear Tire & Rubber Co.	57,831.7
97	GrandMet U.S.A.	55,566.2
98	Coleco Industries	55,216.4
99	Carnation Co.	54,284.6
100	American Broadcasting Cos.	49,167.5

Figures are a composite of measured and unmeasured advertising.

Where AA got its data

For the 29th consecutive year, ADVERTISING AGE unfolds the marketing operations of the nation's 100 advertising giants. What they spend on advertising, where they spend it, how their leading product lines and brands rank nationally, what share of market they hold and scores of other details are analyzed in 100 profiles and 13 charts.

The profiles include listings of each company's marketing executives, its agency lineup and a rundown of account personnel.

Much of the material is not published elsewhere, including estimates of total advertising and promotion expenditures for the advertisers covered, sales figures for privately owned companies and scoops on future marketing strategies.

Advertising figures listed for each of the 100 leading national advertisers include measured media expenditures published by various statistical bureaus and associations.

The sources used include Leading

National Advertisers, Agricultural Marketing Information Service (AGRICOM), Radio Advertising Bureau, Medis Records (newspapers), Broadcast Advertisers Reports, Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America.

In the eight measured media—newspapers, magazines (business and consumer), farm publications, spot and network tv, spot and network radio, and outdoor—the 100 leaders dominate, accounting for 55.1% of all advertising dollars invested in those media. *(See chart on Page 144.)*

This year, for the first time, cable ad spending is reported in a ranking of the 25 top cable advertisers (not necessarily a 100 leader), courtesy of Broadcast Advertisers Reports. *(See chart on Page 136.)*

In addition to the measured media figure, an unmeasured spending figure is added to arrive at the company's total ad expenditures. These unmeasured expenditures include point-of-purchase advertising, couponing, direct mail, premiums, trade shows, special events, catalogs and other forms of sales promotion.

Many leaders provided ADVERTISING AGE with estimates of ad spending as well as breakdowns on their measured spending. In most cases, these listings were printed along with AA's estimates.

Although the final ranking is based on the combined total of our measured and unmeasured figures, ADVERTISING AGE stresses that the selection of the 100 leading national advertisers is based on measured media expenditures only.

If other criteria were used, advertisers not now on the list would be included. Among them would be those companies that spend millions annually in local retail advertising, which is not measured, and relatively little in national advertising. Such companies include many large retailers.#

American Brands

	1983	1982
Sales*	$7,093,392,000	$6,504,961,000
Earnings*	390,298,000	381,240,000
U.S. Advertising	75,590,100	72,272,000

*Worldwide

American Brands, New York, the 79th largest national advertiser, spent an estimated $75.6 million on advertising im 1983, down 4% from 1982's $72.3 million level and continued the slide from the $82.2 million registered in 1981.

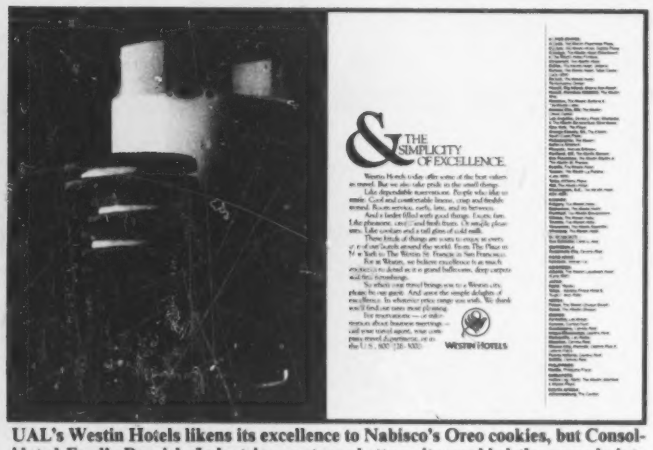
Halting a two-year decline, net sales rose 9% in 1983 to a record $7.1 billion. Big contributors were the domestic tiobacco product sales, which were up 18%, and the hardware and security segment, with an increase of 166% im sales. American Brands is a security, food, office products,

Leaders rebuild sales

(Continued from Page 1)

two of $169.2 million in this issue would have moved Nestle from 61st to 39th in the rankings had the purchase been concluded before publishing.

The 100 leaders continued to dominate national spending among all advertisers in measured media. This is most evident in the leaders' dominance of network tv. They commanded 75.9% of network tv's total advertising of $7.04 billion, down



UAL's Westin Hotels likens its excellence to Nabisco's Oreo cookies, but Consolidated Food's Popsicle Industries went one better—it crumbled the morsels into its ice cream.

from a 77.7% share in 1982.

In decreasing influence, the leaders provided 65% of total network radio expenditures of $263.3 million, up from a 50% share in 1982; 54.3% of total outdoor expenditures of $549.7 million, up from 36.9%; 49.6% of total magazine expenditures of $3.94 billion, down from 50.2%; 44.6% of total spot tv spending of $5.56 billion, up from 44.5%; 39.8% of total spot radio spending of $1.11 billion, down from 47.3%, and 38.3% of total national newspaper spending of $2.57 billion, down from a 39.3% share.

Only in outdoor did the 100 leaders fail to show an across-the-board increase. Outdoor drew $298.3 million in advertising from the leaders, down 0.2% from their contribution in 1982. Batus Inc., ranked fourth among the nation's advertisers in outdoor, registered the most dramatic drop among the leaders in that medium, plunging from $42.5 million in 1982 to $22.4 million in 1983.

The media segment showing the largest percentage increase in 100 leaders' spending was the smallest medium —farm publications—which received $28.6 million in advertising from the leaders, up 20.8%. The first 100 leader company to break into the nation's top 25 advertisers in farm publications was Du Pont, ranked sixth nationally. American Cyanamid and Ford Motor Co. were other 100 leaders among the top 10 advertisers in farm journals.

Spot tv spending among leaders of $2.48 billion increased 13.8% from 1982. The nation's top 25 spot radio spenders were all 100 leaders with Procter & Gamble the pace setter by a long shot with $229.2 million in spending, up 28.1% from 1982, and close to doubling spot tv expenditures of No. 2 PepsiCo.

Magazine spending of $1.95 billion for the leaders increased 13.6% over the previous year. The 100 leaders again did not permit a nonleader company to crack the top 25 national spenders in magazines. The No. 1 spender remained R.J. Reynolds Industries with an expenditure of $155.1 million, up 40% from 1982, and a comfortable $15 million lead over runnerup and head-to-head competitor Philip Morris Inc.

Toyota is actually attempting to "overturn" its Japanese brethren—Mazda, Nissan and Isuzu—in the hotly contested U.S. small truck market.

Network tv drew $5.35 billion in spending from the 100 leaders, up 10.5% from the previous year. Procter & Gamble again was far out in front in spending honors for the nation's top 25 advertisers in network tv with $366.7 million, down 6% from 1982, and far ahead of No. 2 General Motors Corp.

Network radio spending of $141.2 million among leaders was up 7.5%. Sears paced the 100 leaders among all advertisers in the medium with a No. 2 rank, spending $10.6 million, down 4.5%, compared with the top network radio spender, Jeffrey Martin Inc., which supported such products as Doan's pills, Cuticura medicated soap and Topol tooth polish with $21.7 million, down 35% from 1982. Cotter & Co. (TrueValue Hardware), Dow Jones & Co., Hartz Mountain Industries and Purex Industries were the only other nonleaders among the top 25 in this medium.

Spot radio spending of $440.8 million by 100 leaders was an increase of 5.5%. Anheuser-Busch Cos., with an expenditure of $40.7 million, up 10.6%, kept a firm grip on first place among the nation's top spot radio spenders.

Newspapers attracted $984.1 million in advertising from the 100 leaders, up 2.3%, with R.J. Reynolds Industries pacing the nation's top 25 list with $112.3 million in spending, down 8.8%. Texas Air Corp. and Republic Airlines were the only nonleaders among the top 25 newspaper advertisers.

Cable tv, which is not a monitored medium in this issue, is beginning to attract sizable spending as more networks become advertiser-supported. The medium, dominated by 100 leaders companies, is led by Anheuser-Busch, with an expenditure of $15.8 million, up 72%, but only a notch ahead of Procter & Gamble's $15.2 million, up 124%, according to Broadcast Advertisers Reports.

Among the industries represented by the leaders, the airline industry is perhaps one of the most ad-driven. In 1983, the airlines attempted to prop up sluggish revenues and sagging profits with sizable advertising increases. Of the five 100 leaders in the category, Eastern Air Lines, Delta Air Lines and Trans World Airlines suffered losses during 1983, yet advertising at the three increased 22%, 30% and 10%, respectively.

While the market was hostile to airlines in general—a year marked by a soft economy in the first half followed by severe discounting and stiff competition in the second—it turned the beer spigot to a trickle. Barrelage industry-wide for the nation's brewers was up 1% as several large brewers lost barrelage volume on a year-to-year basis.

Adolph Coors Co. was one big exception as it boosted advertising 63%

Kodak frames its film ad featuring this lipsmacking baboon with mixed lyrics. But is "a kiss just a kiss . . . when you were gone?"

to back a barrelage increase of 15% that helped it push eastward and southward into virgin territory.

Anheuser-Busch attempted to stop the erosion in superpremiums—Michelob dropped from 7.4 million to 7 million bbls.—by increasing advertising of Michelob 29% and Michelob Light 13%, and switching agencies for both.

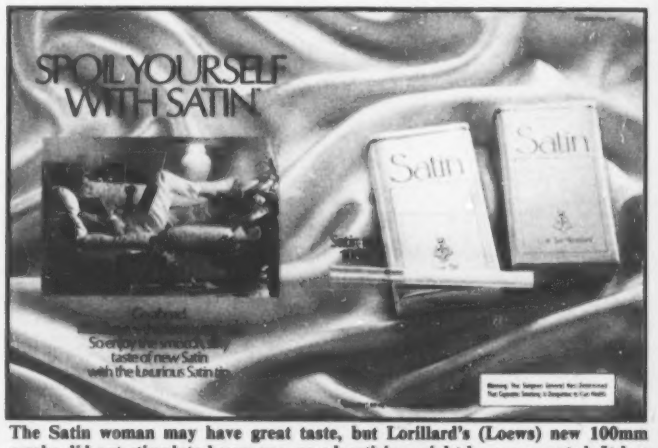
A-B also launched the low-alcohol category with its LA brew in May, 1984. It got a jump on the competition by sprinting through test market in one month. Schaefer (Stroh Brewery Co.) and Blatz, Old Style, Old Style and Rainier (G. Heileman Brewing Co.), and Sharps (Miller Brewing Co.) were quick to follow and entangled the industry in a legal dispute when some opted for an LA (for low-alcohol) on their labels. Litigation regarding whether LA is proprietary or generic continues.

The distilled spirits industry, the beer industry's beverage cousin, felt a similar erosion of consumer interest as sales remained stagnant at Jos. E. Seagram & Sons, Brown-Forman Distillers and Heublein, a subsidiary of R.J. Reynolds Industries. The industry is caught in a vice between public concern over alcohol and moderation, and a shift in public tastes toward lighter and whiter products.

In contrast to ad spending trends among the nation's brewers, the distilled spirits market leaders (including the 100 leaders among them) have elected to pare advertising an average of 11% from 1982.

New product development, which is likely to garner increased ad outlays, captured the interest of several industry leaders such as Seagram, which cut ad spending 21.8% as sales dropped 6.4%. Seagram is moving into new categories including creams, rums, liqueurs and wines. It shored up wine holdings in 1983 by acquiring Coca-Cola Co.'s Wine Spectrum (Taylor California Cellars).

Heublein, a subsidiary of R.J. Reynolds, fought the shift in consumer tastes by introducing lighter cocktails, by doubling its advertising for Jose Cuervo tequila, the nation's best-selling tequila, and by funneling $9.5 million—its largest liquor brand support —into Smirnoff vodka, the No. 2 liquor brand behind Bacardi rum.



The Satin woman may have great taste, but Lorillard's (Loews) new 100mm smoke did not stimulate heavy use, as advertising might have warranted. It has since embossed the pack in gold leaf to build greater awareness.

Brown-Forman, which had a decline in earnings of 23% largely because of the purchase of Lenox Inc. on a sales increase of 29%, cut advertising 4.7%. It seemed to play ostrich by keeping out of the new product race and carving advertising from its leading brands, which are mostly dark whisky types. The company lost its ad agency, McCann-Erickson, which resigned the account earlier this year to pick up Heublein's growing Smirnoff business. B-F has yet to sign on another agency.

Seagram took an industry advocacy role by advertising drinking with moderation in a print campaign. One ad that drew wide attention featured a picture of four jiggers of whisky, four

tobacco and hardware company.

The sales increase recorded in the tobacco products line, however, reflected the higher selling prices resulting from last year's doubling of the cigaret excise tax. The U.S. smoking public smoked 4.6% fewer cigarets last year, according to *Business Week's* annual cigaret industry score card. That score card also shows that American Brands' cigaret sales (by volume) declined 8% in the 1981-83 period and that its top sellers—Pall Mall, Carlton and Tareyton—have suffered declining market shares. International tobacco sales also declined slightly in dollars.

The January, 1983, acquisition of Pinkerton's Inc. accounted for the big sales jump shown for the hardware and security segment.

The company continues to diversify, a process started in 1966. Earlier this year, its Franklin Life subsidiary, which specialized in life insurance, acquired the Southland Life Insurance Co., a specialist in group life and health and universal life policies.

American Tobacco, which together with American Cigar constitutes the domestic tobacco division, had record sales in 1983. Late in the year, it completed the national rollout of Lucky Strike Filters, while also introducing Lucky Strike Lights in test markets. The Lucky Strike Filters rollout was followed early in 1984 by national rollout of Lucky Strike 100's. All three are low-tar entries.

Lucky Strike Filters was backed with nearly $13 million in measured media spending, tripling its 1982 spending when it was introduced. Of that, $8.4 million went to magazines. Promotions also have included heavy sponsorship of sporting events, which are not included in the measured totals.

Carlton continues as the industry's best selling ultra low-tar brand and accounts for about 20% of that market. Measured media spending for the Carlton brand was $16.5 million, down from the previous year's $23.3 million. Carlton Filters was the big loser, as its measured spending fell from $10 million to $2.2 million. Multiproduct advertising, meanwhile, was $11.4 million, about the same as the previous year.

American Tobacco's low-tar lineup also includes Tareyton and Tareyton Lights, which are the industry's leading charcoal filter brands, plus Pall Mall Lights 100's and Silva Thins. Pall Mall Lights led the way in measured media spending, with $7.5 million last year.

Unadvertised in major media, nonfilter Pall Mall Kings continues to be the fifth best selling cigaret in the U.S.

American Brands measured media spending shows that newspapers continue to get a declining slice of the ad budget. Last year, newspaper spending was $5.8 million, down from 1982's $8.9 million, and even further away from 1981's $13.2 million.

In the smoking tobacco category, the company markets Half and Half, Paladin, Blackcherry and Bourbon Blend.

At the American Cigar unit, Antonio y Cleopatra is the leading brand and received about the same measured media support in 1983 as in 1982 ($500,000). La Corona Whiffs, a Continental-style cigar, increased in unit volume and is now second to Antonio

glasses of beer and four of wine, with the headline "Surprised?" Copy noted the alcohol level of the groups were equivalent, concluding: "Even if it looks light, it shouldn't be taken lightly.

Cigaret marketers, facing similar erosion in public confidence, found an industry advocate in R.J. Reynolds, which spent $7 million on a controversial corporate campaign that called for "an open debate about smoking." The advertising—more than any outlay for an RJR brand in 1983—created a public flap, drawing heavy criticism from the heart, lung and cancer associations. RJR also pulled its media buying in-house, an action that could have a far-reaching effect on Madison Avenue if it becomes a trend.

The biggest growth category among 100 leaders was electronics and office equipment, attracting four of the newcomers to the 100 leaders' list—Tandy Corp., Texas Instruments, Sony Corp. of America and Coleco Industries.

The category, however, is as volatile as its growth potential. At least one of the newcomers, TI, is likely to fade from the chart next year because the consumer product that put TI into the 1984 rankings—the TI 99/4A home computer—was dropped in October, 1983. Coleco spending would have been greater had its new Adam computer been delivered at intended volumes in 1983, but production snags rendered the introductory hype useless as Coleco pulled advertising until it got the Adam to market in early 1984.

Sony's most heavily advertised unit, the Betamax videocassette recorder ($6.2 million in measured spending) continued to lose market share to rival VHS-format systems, but it won a U.S. Supreme Court decision against moviedom when the court ruled that recording tv programs for private use did not violate federal copyright law.

Even Tandy Corp., which backed its popular TRS-80 line with $15.5 million, or 42% of its total measured spending, was beginning to feel the heat from industrywide price cutting at year's end. In its fourth quarter, Tandy net income dropped 21.6% from the year-earlier period from reduced sales of the TRS-80 affected by industrywide price-cutting.

Soft drinks attracted considerable attention as marketers rushed to retail shelves "lighter" products, extracting just about everything from the drinks but the cola underpinnings.

Aspartame/saccharin sweetener substitute got good play as Coca-Cola infused the blend into diet Sprite; Consolidated Foods reintroduced Diet Shasta with the new sweetening blend and continues testing 100% d'Lite with 100% aspartame in three markets; Philip Morris introduced aspartame into both Diet 7UP and Sugar Free Like, and PepsiCo injected aspartame into Diet Pepsi.

The successful G.D. Searle & Co. product also found its way into General Mill's Trix cereal, General Food's Alpha Bits, Carnation's low-cal hot

UAL gets you there and American Express pays the bill in this All-American vacation tie-in.

cocoa, Heinz Superman hot cocoa mix, Lipton iced-tea mix and Wrigley's Extra gum.

Coca-Cola upset the soft drink market share rankings in propelling diet Coke into third place past 7UP, and even bumped off Coca-Cola's TAB as the leading U.S. diet cola. The diet Coke product made the surge with $21 million in advertising in its first full year of national distribution. Coca-Cola sought to minimize any cannibalization of TAB by introducing diet Coke as a unisex drink unlike TAB's feminine image, but it proved a tradeoff as TAB's share dropped as the diet category share increased.

The collective catch phrase among mass retailers in 1983 was "a store within a store," characterized by the introduction of boutiques within the body of the store.

Sears, in adopting its equivalent "store of the future" design, outfitted existing units with the boutiques and refined its merchandising. J.C. Penney Co., which tried the boutique concept about 10 years ago but scuttled the idea after finding its traditional blue-collar customers not enamored by fashion, followed the Sears' lead by upgrading merchandise, adding a distinct Italian *haute* to its apparel offerings, and shelved low-return auto service, major appliances, hardware and garden products.

Montgomery Ward & Co., the biggest ad spender among Mobil Corp. subsidiaries, is introducing a new merchandising plan that establishes seven specialty stores in one store. Likewise, K mart Corp. credited its improved sales, the earnings to its remodeling program and addition of designer labels to its merchandise, and the touting of such shifts with heavy advertising spending ($40 million alone in 1984 Olympic Games advertising and promotion).

Euphoria returned to the auto industry in 1983 evidenced by Ford Motor Co. earnings of $1.9 billion, a turnaround from a loss of $657.8 million in 1982, and General Motors Corp.'s earnings increase from $962.7 million, to $3.73 billion. The year closed with American Motors Corp. recording its first quarter in the black in years. The year was marked by Jeep downsized for the first time in 20 years and Ford Motor pitching tractors to women.

The year was not a particularly dramatic one for agency shifts, although several 100 leaders gave pink slips to their agencies of longstanding: SSC&B's headlock on the Carnation account was loosened when the company for the first time gave products (from three divisions) to Foote, Cone & Belding; J.C. Penney dropped McCaffrey & McCall after 14 years and picked up N W Ayer; Colgate-Palmolive sought coordination in its worldwide business by picking Young & Rubicam to handle business worldwide previously directed by Kenyon & Eckhardt stateside and D'Arcy MacManus Masius abroad.

A major battle is shaping up for the 1985 Leader's issue. If the top two spenders maintain their current rate of spending, Sears will supplant P&G.

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